

REPORT OF THE COMMITTEE ON BUDGET

Ann H. Kobayashi, Chair; Todd K. Apo, Vice-Chair
Romy M. Cachola, Barbara Marshall, Rod Tam, Members

Committee Meeting Held
February 22, 2006

Honorable Donovan M. Dela Cruz
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 18 (2006) entitled:

"A BILL FOR AN ORDINANCE RELATING TO THE DEFERRAL OF REAL
PROPERTY TAXES,"

which passed First Reading at the February 15, 2006 Council meeting, reports as follows:

The purpose of the Bill is to allow certain elderly persons to defer their real property tax obligation on their residences.

The Director of the Department of Budget and Fiscal Services informed your Committee that the bill raises several issues. One issue is that the bill gives the deferred real property tax the status of paramount lien, but it is questionable if the city can extend the period of paramount lien status without agreement from the State. Another issue is that the bill allows a titleholder to defer taxes of other titleholders. This would compromise the city's ability to collect real property taxes.

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON _____

COMMITTEE REPORT NO. 114

REPORT OF THE COMMITTEE ON BUDGET

Ann H. Kobayashi, Chair; Todd K. Apo, Vice-Chair
Romy M. Cachola, Barbara Marshall, Rod Tam, Members

Committee Meeting Held
February 22, 2006
Page 2

Your Committee on Budget is in accord with the intent and purpose of Bill 18 (2006) and recommends that it pass Second Reading, be scheduled for a Public Hearing, and be referred back to Committee. (Ayes: Kobayashi, Apo, Cachola, Marshall, Tam – 5; Noes: None.)

Respectfully submitted,


Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON MAR 15 2006

COMMITTEE REPORT NO. 114